subject patent application at the time of filing. A duplicate copy of the revised drawings is also enclosed.

Each drawing is labeled on its back with the application serial number, name of the inventor, title of the patent application, attorney docket number, and page number.

Applicant believes there is no fee for replacing informal drawings on file with formal drawings. However, the Patent and Trademark Office is hereby authorized to charge any necessary fees, or credit any overpayments to Deposit Account No. **11-0600**.

REMARKS

Claims 1-19 are pending in the application.

Claims 1-19 were rejected under 35 U.S.C. §102(e) as being anticipated by Puri et al, U.S. Patent No. 6,148,026 (hereinafter "Puri").

Claim Rejections Under 35 U.S.C. §102(e)

Claims 1-19 were rejected under 35 U.S.C. §102(e) as being anticipated by Puri. Puri generally discloses coding video data with enhanced functionality by coding video data as base layer data and enhancement layer data. (See Abstract). Applicants respectfully submit that Puri fails to disclose all the elements of claims 1, 7, and 13. For example, claim 1 states:

(a) identifying first order sub-steps in at least one of said first and second encoding passes as being necessary or unnecessary for execution of said encoding passes; and

(b) executing said necessary sub-steps during said first and second encoding passes.

(Claim 1).

Puri states:

Encoding of mesh node motion vectors proceeds according to the method 1000 of FIG. 4A. For a mesh node of interest p_n, the enhancement layer encoder identifies the block B(i,j) in which the mesh node sits (Step 1010). The enhancement layer encoder predicts a motion vector for the mesh node based upon the co-located block and, perhaps, its

neighbors (Step 1020). The enhancement layer then compares the predicted motion vector against the actual motion vector of the mesh node (Step 1030). It encodes and outputs a residual representing the difference between the actual motion vector and the predicted motion vector for the mesh node p_n (Step 1040).

(Puri, col. 7, lines 14-25).

In other words, Puri discloses an encoder performing enhancement layer encoding and a second encoder performing base layer encoding. The sub-steps of the enhancement layer and the base layer are not categorized as necessary or unnecessary. What the examiner refers to as unnecessary is the enhancement layer, which represents the second pass. To clarify, it is what the Examiner is referring to as the second pass that is categorized as unnecessary, not any of the individual sub-steps. Applicants respectfully submit, therefore, that elements of claim 1 are neither shown nor suggested by the cited reference. Claims 7 and 13 contain similar elements to the one featured in the above argument. Claims 2-6, 8-12, and 14-19 depend from and further define claims 1, 7, and 13, respectively. Accordingly reconsideration and withdrawal of the rejection of claims 1-19 under 35 U.S.C. §102(e) is respectfully requested.

CONCLUSION

For all the above reasons, the Applicant respectfully submits that this application is in condition for allowance. A Notice of Allowance is earnestly solicited.

The Commissioner is hereby authorized to charge any additional fees or credit any overpayments under 37 C.F.R. §1.16 or §1.17 to Deposit Account No. **11-0600**.

The Examiner is invited to contact the undersigned at (408) 975-7500 to discuss any matter concerning this application.

Respectfully submitted,

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